Statement—II

Year	No. of Cases of Under Invoicing	Amount Involved (Rupees in lakhs approx.)	No. of Cases of Over-Invoicing	Amount involved (Rupees in lakh approx.)
1	2	3	4	5
		Rs.		Rs.
1992-93	10	53.00	14	3580.0
1993-94	49	1787.00	21	2234.00
1994-95	68	614.00	26	880.00
TOTAL :	127	2454.00	61	6694.00

Money credit towards excise duty

6051. SHRI P. UPENDRA: Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that Money Credits towards excise duty are given at the rate of Rs. 2800/- per tonne for consumption of minor oil in toilet soap production;

(b) what is the mechanism of checking of minor oils consumption for toilet soap production;

(c) whether it is a fact that minor oils other than rice bran oils are not really consumed and bogus entries are made of purchase and consumption by MNCs;

(d) whether it is a fact that refining facilities for other than rice bran minor oils are not affordable for SI soap producing units;

(e) whether it is a fact that only large scale industries and MNCs posses refining facility of minor oils and can claim Money Credit against excise;

(f) whether the Money Credit is availed of by these large scale industries and MNCs as an indirect subsidy to them; and

(g) whether government are considering to withdraw the money credit scheme as it benefits only large scale industries and MNCs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Notification No. 46/89-CE (NT) dated 11.10.1989, as amended, provides for credit of duty of Rs. 1000/- per tonne in respect of rice bran oil & Rs. 2800/- per tonne in respect of other specified minor oils

if the same have been used in the manufacture of toilet soaps. In order to check the consumption of minor oils in the manufacture of toilet soap, the field units are required to carry out regular production-based-control checks to check statutory records prescribed to be maintained by manufacturers at various stages of production, to verify monthly returns required to be submitted to the Department and also to undertake periodical/surprise checks & special audit etc.

(c) No case of bogus entries by MNCs in respect of any minor oil has been noticed by field formations.

(d), (e) and (f) Refining of minor oils during the course of manufacture of toilet soap is neither necessary nor is a pre-condition for taking credit under Notification No. 46/89-CE (NT) dated 11.10.1989, as the scheme permits hydrogenation/hydrolysis in outside units subject to suitable documentation, sample testing, etc. Money Credit Scheme is available to all industries, whether large scale or SSIs, and irrespective of whether they have the refining facility inside the factory or they get it done from outride on job-work. The credit is given to a unit, manufacturing toilet soap, essentially to encourage use of specified minor oils and not as a measure of subsidy.

(g) There is no proposal under consideration regarding withdrawal of money credit scheme as the same is an incentive to encourage greater use as well as production of minor oils by domestic industry.

Higher inflation rate

6052. SHRI JOYANTA ROY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the inflation rate of India has become much higher in the current financial year as compared to that in other developing countries; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The inflation rate in China and Pakistan has been higher compared to India. For some of the other developing countries in Asia, the year end inflation rate is listed below:—

Inflation (%)

Name of the Country	1993	1994	1995
China	14.7	24.0	17.0
Hong Kong	8.5	8.1	8.5
India (April 1)	6.8	11.3	9.4
Indonesia	9.0	8.5	8.5
Korea	4.8	6.3	5.7
Malaysia	3.6	3.7	4.3
Pakistan	9.4	11.6	13.0
Philippines	7.6	9.1	8.0
Singapore	2.4	3.1	3.0
Taiwan	2.9	4.1	4.5
Thailand	3.2	5.0	5.2